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CENTRAL INTELLIGENCE AGENCY

5 July 1957

MEMORANDUM FOR: Mr. Allan Evans, State (OIR)
Colonel E. T. Seaburn, USA (ACSI)
Captain W. S. Howell, USN (ONI)
Colonel W. B. Sawyer, USAF (AFOIN 2B2)
Colonel J. M. Pittman, USA (JIG)

SUBJECT: NIE 36.1-57: THE OUTLOOK FOR EGYPT AND
THE NASSER REGIME

1. The attached terms of reference for subject estimate were approved at meeting with your representatives on 3 July.

2. All agencies are invited to contribute to any section within their competence to do so. It is requested that contributions be forwarded to this office by the close of business on 15 August. The IAC target date for this estimate is 24 September.

William P. Bundy

WILLIAM P. BUNDY
Deputy Assistant Director
National Estimates

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3 July 1957

SUBJECT: TERMS OF REFERENCE: NIE 36.1-57: THE OUTLOOK FOR EGYPT AND
THE NASSER REGIME*

THE PROBLEM

To estimate: (a) the changes in Egypt's position since the Suez crisis; (b) the chances for survival of the Nasser government; and (c) probably future developments in Egypt's internal, regional, and international situation.

QUESTIONS BEARING ON THE PROBLEM

I. INTERNAL SITUATION

A. Political

1. Workings of the Government: What are the main elements in the present government and how do they work? What is the

* Supersedes NIE 36.1-55, "The Outlook for Egyptian Stability and Foreign Policy," 15 November 1955.

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nature of Nasser's power and what individuals and groups exercise important influence upon him? How much popular support does the government have? What effects have the Suez crisis and its aftermath had on the regime's control over the army, police, and civil service? Are Egypt's economic problems likely to result in changes in its political structure? What impact are the July elections likely to have on the political situation? How long is the Nasser government likely to last?

2. Nasser's Leadership: What are Nasser's current philosophy, his views on his own role in Egypt and the Arab world and the ideal shape of things in Egypt's social and economic life? How does he view the West, the Sino-Soviet Bloc, and the neutralists? Have any significant changes taken place in his views in the past several months? To what extent is his future behavior likely to correspond to these views? How much and on what subjects is he influenced in his decisions by other members of the "inner circle"?
3. Alternatives to Nasser: What are the main opposition elements and what are their outlook, objectives, and potential? Are any of these elements in Egypt capable of development as an effective political force? Are there elements within

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the present regime capable of unseating Nasser or of taking over in the event of his elimination? What form would a successor government be most likely to take? What policy would it follow? What opposition would it have to meet?

B. Military

1. What are the strengths and capabilities of the Egyptian armed forces and their prospective development? To what extent are they dependent on Soviet support? How great is the problem of replacement parts for Western military equipment? How badly were the Egyptian forces damaged in the Suez and Sinai fighting and how long will it take them to recover? What is the morale level? What is the attitude of the armed forces to the problems which confront Egypt and are any important elements in them likely to act against Nasser in the foreseeable future?

C. Economic

1. What are Nasser's basic economic policies and goals?
2. What is the current state of the Egyptian economy? How has it changed in the past several months? What has been the effect of nationalization of the Suez Canal and

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sequestration and Egyptianization of foreign assets? What has been the effect of the freezing of Egyptian assets abroad -- especially those in the US and UK? What would be the effect of release of these assets?

3. What are the major economic problems which will confront Egypt in the future? What are the prospects for the Egyptian currency, development program, and standard of living, including Nile development? What pattern is foreign trade likely to take over the next few years? How dependent economically is Egypt now and is it likely to become on the Soviet Bloc? To what extent is Soviet trade and aid likely to meet Egypt's requirements? What elements of friction are likely to develop? Compare Egypt's trade with the Soviet Bloc with its trade with the West over the past few years.

II. FOREIGN RELATIONS

What changes have occurred in Egypt's international position since the Suez crisis? How does Nasser estimate Egypt's present situation and future prospects and his own role in Arab, Afro-Asian, and world affairs?

A. Regional Relations

1. What are the prospects for Egypt's relations with its Arab neighbors in view of its loss of prestige in recent months?

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Specificially: Will Egypt be able to maintain its important influence in Syria and the Yemen? Will it be able to reverse the unfriendly trend which has developed in Saudi Arabia, Jordan, and Lebanon? What part is the Palestine question likely to play in Nasser's relations with other Arab states? What is the future of the ESS Pact and the Arab Solidarity Agreement? Is Egyptian subversive activity in neighboring areas likely to increase or decrease? How is Nasser's campaign against the British position in the Persian Gulf and in the Arabian Peninsula likely to develop, and what are his chances for success?

2. What is Nasser's attitude toward the Baghdad Pact as a competing regional grouping and his reaction to such developments as the rapprochement between Saudi Arabia and the Hashimites?
3. What course is Egypt likely to follow in regard to the Sudan and Ethiopia -- including the question of Nile Waters? In regard to Libya? What course with respect to Africa to the South? With respect to Algeria, Morocco, and Tunisia? What are the prospects for Egyptian relations with India?
4. To what extent are Egyptian military capabilities enhanced by the connections between the Egyptian armed forces and those

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of other Arab states? What is the role of Egypt in the distribution of Soviet arms within the region? What is the prospective future role of Egypt in the planning and implementation of concerted Arab military action against Israel?

B. Relations with Israel: What position is Nasser likely to take on Israeli passage through the Straits of Tiran and the Suez Canal and how will he be able to implement it? What course is fedayeen activity likely to take? What is Nasser's attitude toward the UNEF likely to be in the future? Is there any likelihood of major Egyptian military move against Israel in the foreseeable future? Under what circumstances might it take place? Is there any possibility of an Egyptian accommodation with Israel?

C. Relations with the Sino-Soviet Bloc: How are Egypt's relations with the Sino-Soviet Bloc likely to develop over the next few years? What are the major factors which will affect this development? What are Soviet objectives and capabilities in Egypt? To what extent are they tied to Nasser personally? How does Egypt view its relationship with the USSR? Which elements within Egypt are likely to support and which to oppose continuing close ties with the Bloc? Is any significant disagreement or conflict of interest developing or likely to develop between Egypt and the USSR? What

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is the present and probably future extent of Soviet support for Egyptian Communists and Nasser's reaction thereto? To what extent is Egypt cooperating with the USSR in policy and activities in neighboring areas of the Middle East? How are Egyptian-Soviet relations likely to develop?

D. Relations with the US: What is Nasser's reaction to the US role in the region as exemplified by the American Doctrine and US association with the Baghdad Pact? What are the prospects for Egyptian -- US relations over the next few years: Is Nasser likely to continue to try to undermine US policy in the Middle East? Does he entertain hopes of establishing good relations with the US? and what specific actions might he take? What concessions would he be prepared to make to do so? Is he convinced that the USSR is a better friend than the US and that Soviet intentions in the Middle East are less dangerous than American intentions?

E. Relations with the UK and Europe: What is the present state of Egypt's relations with the UK? How far will Egypt be likely to go to reach an accommodation? Might Egypt seek to direct such an accommodation to any degree against US interests or influence either within Egypt or in the region? Are any significant developments likely in Egypt's relations with France, Greece, Spain, Italy, West Germany, Yugoslavia, and Turkey?

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F. The Suez Canal: Taking into account all factors discussed in this estimate, what is likely to be the situation in regard to the Suez Canal over the next few years?

III. POST-MORTEM AND VALIDITY STUDY

A. Were significant intelligence deficiencies and problems encountered in the preparation of your contribution? If so, what IAC action do you recommend?

B. How well did NIE 36.1-55 (The Outlook for Egyptian Stability and Foreign Policy, 15 November 1955) stand up? Did it contain any significant estimative misjudgments or omissions?